

an·thro·lytics / noun

Quantifying the role of empathy in customer experience

When other factors are broadly equal...
empathy is the biggest driver of loyalty

A brief introduction

Chief Strategy Officer at Anthrolytics and inventor of Predictive Behavioural Analytics



40+ years of hands-on experience

Experience Management Analyst

- Customer Experience (CX)
- Employee Experience (EX)
- Supplier Experience (SRM)

Combining **data science** with **behavioural science** to:

- understand why people do what they do
- what they are likely to do next and
- determine how organisations should best respond

The world of Customer Experience & loyalty today

'Generation App' has a completely different view of loyalty than 'Baby Boomers' like me

Generation app...

- Are 'Digital Natives'
- Expect everything instantaneously
- Mistrust & challenge 'authority'
- Are social media & messaging junkies
- Both influenced and influencers
- Often 'conscious consumers'

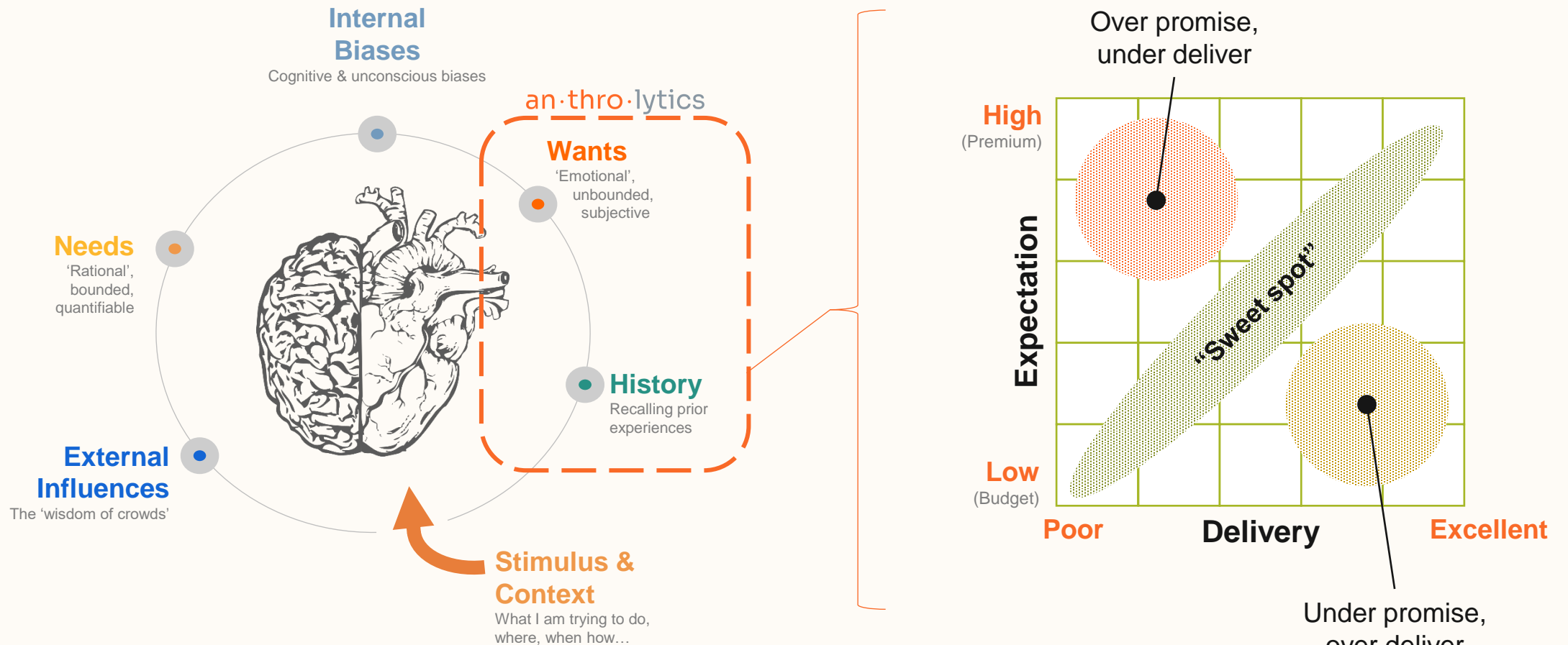
- Have less asset wealth
- Are more pessimistic

... and their loyalty is conditional



How consumers make decisions & the role of experience

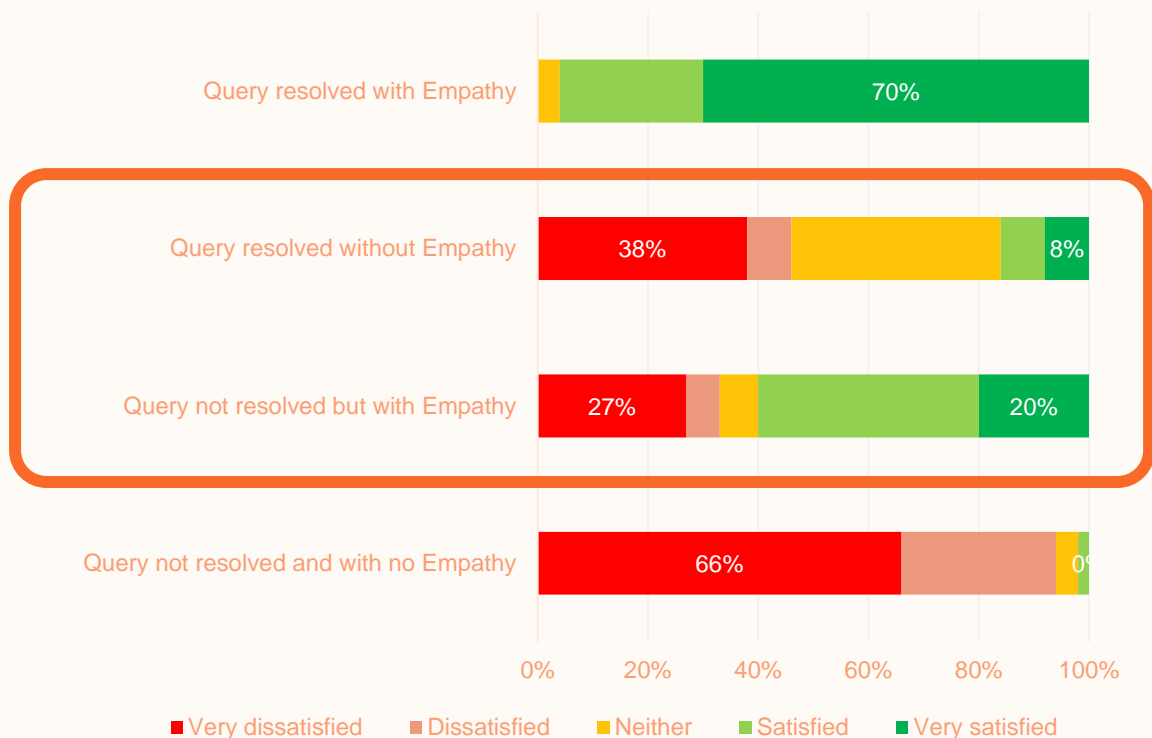
A lot of our expectations and decision making is based on our prior experience and current emotions



The importance of empathy

Customers want to be treated like a human being, not a walking bank account

Empathy influences satisfaction



Source: 'Empathy in Customer Service' – Genesys/MyCustomer 2020

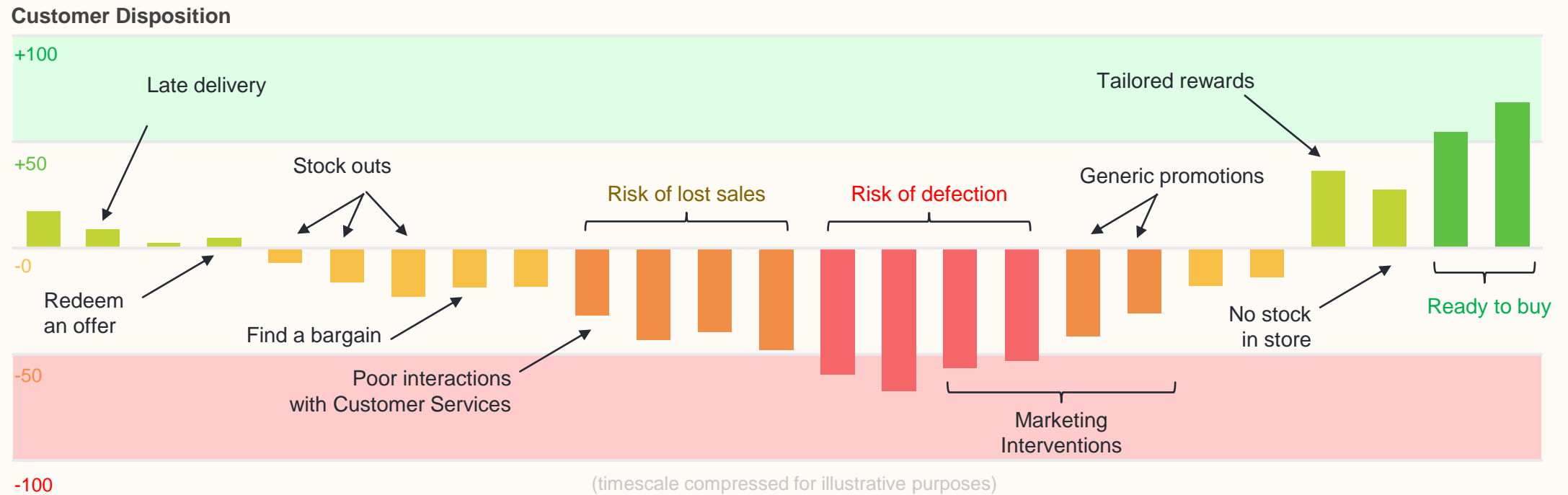
The characteristics of empathy; what customers value

- **Feeling listened to** (84%)
- **Being understood** (79%)
- **Consistency** (79%)
- Problems solved completely (76%)
- Getting a quick response (75%)
- Shown their time is valued (75%)

47% of consumers prefer an empathetic customer service experience to a speedy resolution

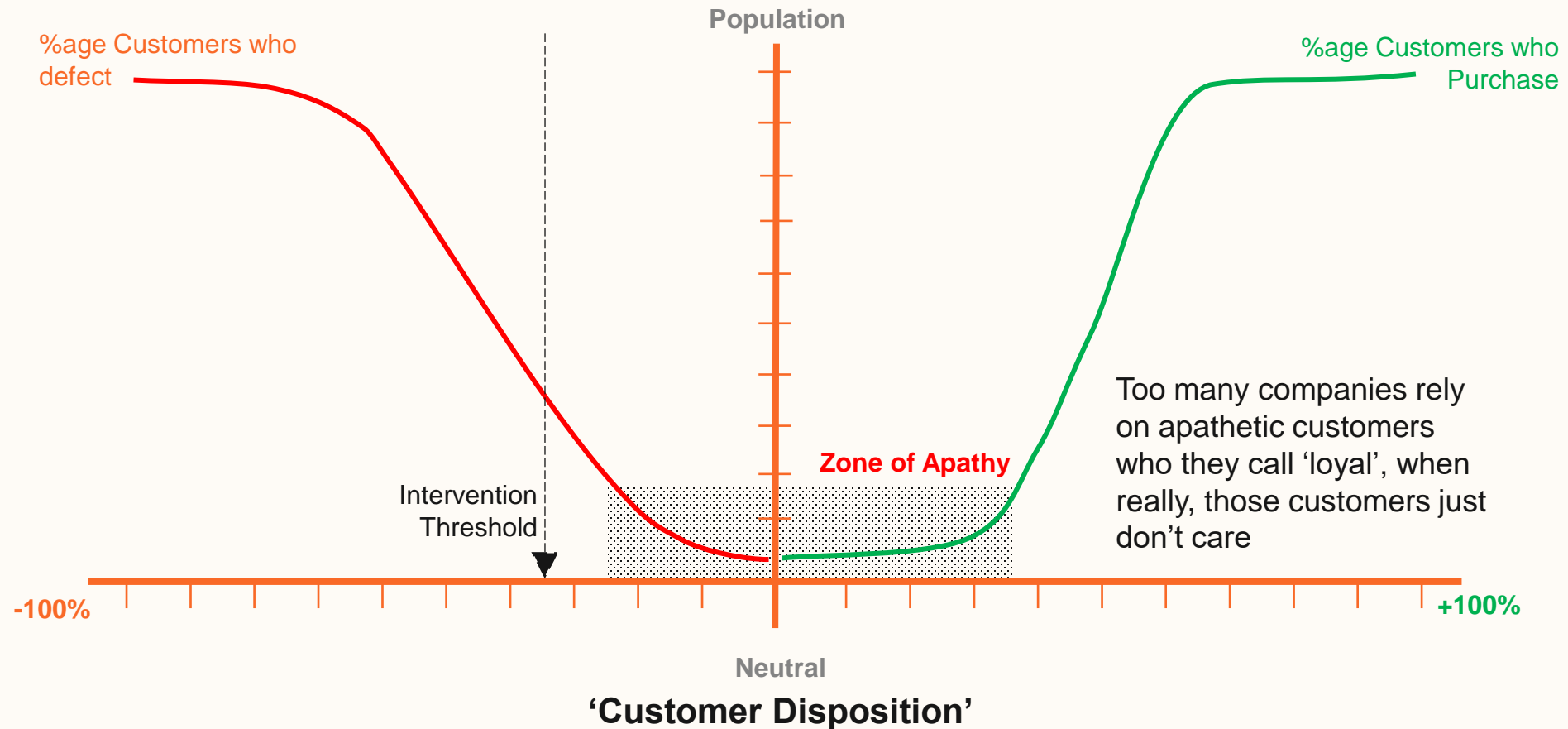
How we feel determines a lot about how we behave

Disposition is the sum of all our emotions (valence + arousal), expressed as a single number



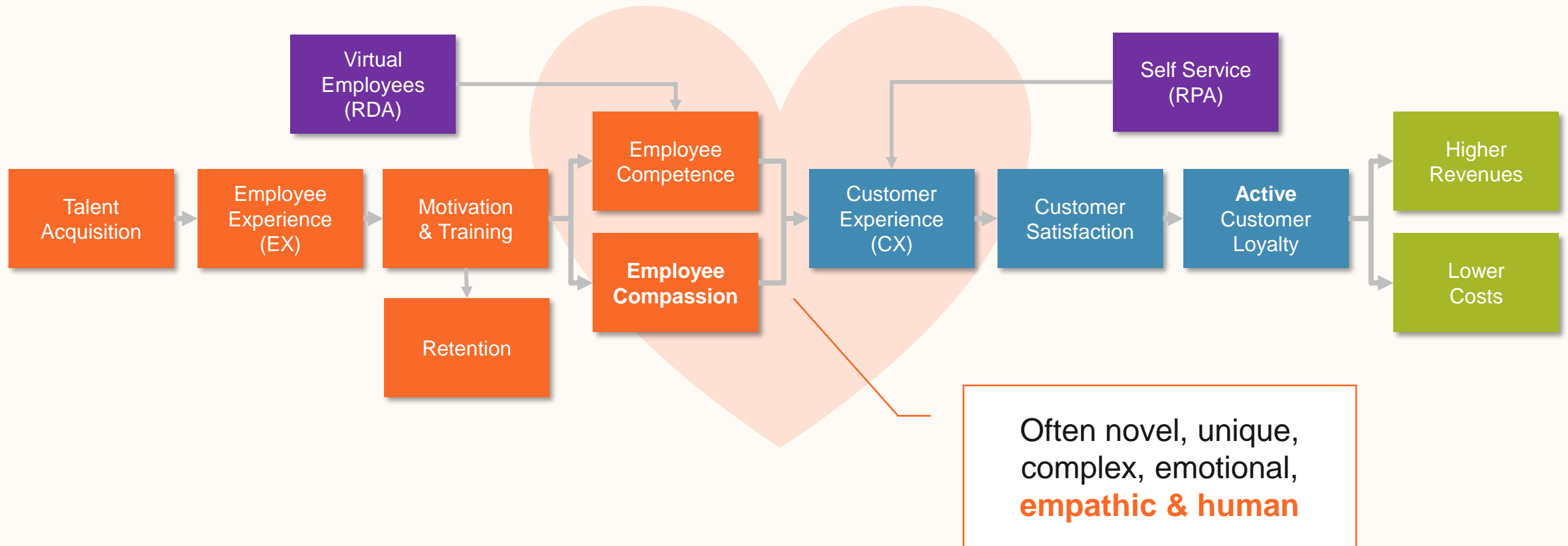
Using customer disposition to calculate RoI

Identify an objective --> decide when to intervene --> determine cost of intervention --> calculate return



Empathy is where 'employees' and customers interact

We can do a lot with AI and automation, but there is plenty of scope for 'humans in the loop'



Some example factors to consider when calculating RoI

Customers treated with empathy typically generate more revenue and cost less to serve

Marketing

- more targeted (lower cost), with higher response rates

Service

- lower average handling time (AHT)
- fewer call backs

Lifetime Value

- increased 'active loyalty' – lower churn, more purchases
- more recommendations / referrals, positive reviews

Human value

- less stressful interactions (on both sides)

A worked example of the direct Return on Investment impact of improving EX & CX

Costs and lost revenue can rapidly escalate for even medium-sized enterprises

Employee Experience

Number of employees = 500

Annual Attrition rate = 10%

Staff to be replaced / annum = 50

Cost to hire = £ 500 / employee

Time to competence = 5 weeks

'All-up' salary costs / week = £ 600

Total cost to hire & train = **£ 130,000**

Customer Experience

Number of customers = 100,000

Mean Revenue / product = £ 50

Average number of products = 1

Customer churn per annum = 20,000 (20%)

Revenue lost to churn = **£ 1,000,000**

Sales / Marketing cost per customer = £ 50

Total customer acquisition costs = **£ 1,000,000**

Case study: revenue growth through upselling

B2C Telco

The client:

- multi-millions of account holders
- aggressive revenue growth goals

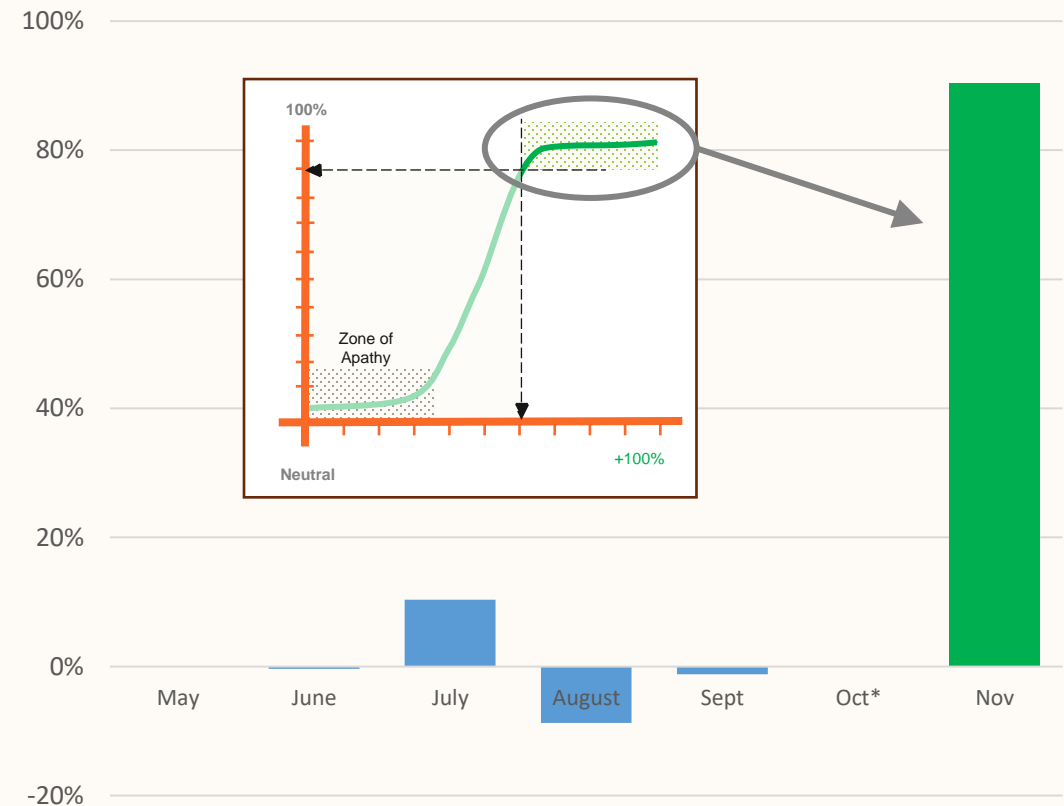
Anthrolytics:

- created a target segment for upsell campaigns
- identified who will buy and why
- conducted a 30 day upsell campaign to the target group

Results:

Almost **90%** Improvement in revenue for target group in month 1, but effect lasted longer (at least 3 more months after the campaign ended)

Revenue Growth Month on Month



The new empathy map - how to empathically describe both the situation and a solution

A New Empathy Map

Persona (or Empagraphic Segment) <small>(describe what kind of customer this is – give them a descriptive name)</small> <i>The 'overlooked and neglected'; Loyal customers who feel ignored or left out of the best / new products</i>	
Context and type of experience <small>(what is the purpose or outcome they are looking for?)</small> <i>Have been customers for years and are not actively looking to defect, but are also disengaged; and in the 'zone of apathy'</i>	
Needs <small>(practical considerations – what they need)</small> <ul style="list-style-type: none"> • Comparable pricing • Ease of use and access • Predictability • 'no drama' 	Wants <small>(psychological / emotional considerations – like/dislikes)</small> <ul style="list-style-type: none"> • To be valued • Understood / listened to • Rewarded for loyalty
Pains <small>(what might stop them from choosing you or moving forward?)</small> <i>Their disengagement means they have probably 'tuned us out' Unwilling to put in any effort to make a positive change</i>	
Who / what influences their decision? <small>(Brochures, friends / family, current affairs, 'influencers', etc...)</small> <i>Prior experience (with our brand) [Competitor's] advertising Social media influencers – especially product-gurus</i>	

Will say things like...

"You never contact me unless you want something"

"You save all the best deals for new customers"

Most significant emotions:

- Anger
- Trust
- Happiness
- Sadness

Our solution:

For persona <small>(persona name)</small> <i>The 'overlooked and neglected'</i>	
Type of experience <small>(what is the purpose or outcome they are looking for?)</small> <i>We need to reengage these customers to keep them loyal and willing to spend more in the future</i>	
Meeting Needs <small>(practical things we can do to meet expectations)</small> <ul style="list-style-type: none"> • Point out the value we deliver • Give them a priority access number • Ensure speedy issue resolution 	Fulfilling Wants <small>(things we can say and do that makes them feel good)</small> <ul style="list-style-type: none"> • Dedicated account manager • Annual account review, with feedback on progress • 'loyal customer' pricing
Removing Pains <small>(things we can do to make it easier for them)</small> <i>High profile, eye-catching communications Automatic account upgrade / switching that requires minimal effort on their part</i>	
What can we do to influence their decision? <small>(and not restrict choice or manipulate them into something that is not in their best interest)</small> <i>Highly tailored and relevant direct outreach Links to our own influencers Case studies based on customers like them Caller ID on inbound communications</i>	

Thank you!

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